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EXECUTIVE COMMITTEE OF THE
HIGH COMMISSIONER'S PROGRAMME

Report of the 3 May 1991 Meeting of the Sub-Committee on Administrative and Financial Matters

1. The meeting of the Sub-Committee on 3 May 1991 was opened by His Excellency, Ambassador Franz Ceska of Austria, Vice Chairman of the forty-first session of the Executive Committee and Chairman of the Sub-Committee on Administrative and Financial Matters.

2. The Chairman introduced the proposed agenda and gave a background to the items listed for consideration; the proposed agenda was adopted.

3. The Sub-Committee then turned its attention to the Draft Report of the meeting of 5 February 1991 (EC/SC.2/1991/CRP.3). The report was adopted.

Human Resources Management

4. The Director of Human Resources introduced the Conference Room Paper (EC/SC.2/1991/CRP.11) on Human Resources Management in UNHCR. The Chairman of the Staff Council also addressed the Sub-Committee, focusing on three issues: career development, conditions of service in the field and the staff/management consultative process.

5. In response to these presentations, observations were made and questions raised by a number of delegations. Among the observations were a number on

staffing for emergencies. Delegations underlined the need for UNHCR to have flexibility vis-à-vis staffing, so as to address adequately refugee emergencies. It was also pointed out that UNHCR should have a defined strategy that found a place for the redeployment of senior, experienced staff, as well as having recourse to new staff, persons on secondment from governments and the use of JPOs; in the strategy, the right mix of these various staffing components was seen to be important. One delegation pointed out that as UNHCR is by definition an organization that deals with emergencies, the staffing strategy of UNHCR should be such that it has the capability to respond to new emergencies while attending to ongoing, longer-term needs. While one delegation reiterated that needs should be the overriding consideration in determining UNHCR's staffing levels, other delegations recognized that while flexibility vis-à-vis staffing levels was needed for a determined period of time, higher staffing levels resulting from current emergencies should not be maintained for an indefinite period once these emergencies are under control. Another series of observations (and questions) centred on conditions of service, staff morale, etc. It was pointed out that issues relating to human resources, including conditions of service, should rightly be a focus of the Sub-Committee's considerations, as these issues were crucial to the organization. In particular, one delegation felt that improved conditions of service would allow UNHCR to promote a positive attitude among the staff to postings in isolated field locations; enhanced career prospects following service in refugee emergencies would be an added incentive to such service.

6. The two presentations on human resources issues, elicited the following questions: the time-frame for the review of the various human-resource policy issues raised in the Director's Conference Room Paper; the strategy employed to respond to emergencies, especially in the Gulf; the role of recruitment in such a strategy (some reservations were expressed about a possible recourse to recruitment on a one-to-one basis, that is to recruit a replacement for any redeployed staff); the use of UNVs within such emergency strategies; progress to date on the review of secretarial support within UNHCR; and trends in the ratio between the Headquarters/Field staffing profiles.

7. In responding to these questions/observations, the Director of Human Resources grouped his comments under three headings: the timetable for the review of the various policy issues; conditions of service in the field; and emergency preparedness.

8. With respect to the review timetable, a Working Group of the Joint Advisory Committee was presently looking into a number of the issues. Although the Director could give no precise timetable, he hoped that some of the issues (e.g. the rotation policy) could be looked at in the next three months and that some of the major elements of a career development plan might be in place for implementation by the beginning of next year.

9. On the matter of the conditions of service in the field, the Director outlined the recent improvements approved by the General Assembly, especially those relating to allowances for mobility and service in hardship posts; he explained the rationale underlying these improvements. From the point of view of the conditions of service in the field, the recent changes, which should be

considered as a first step in the right direction, represented a marked improvement over the past; however, it had to be recognized that the UN common system, which caters to the differing needs of 15 organizations, does not always respond fully to the problems encountered by UNHCR staff in the field who were serving in remote duty stations where the refugees are located, and were only minimally represented in capitals. To address the quite unique needs of UNHCR staff, the Director foreshadowed some possible initiatives such as enhanced promotion possibilities for those having served in difficult duty stations, etc.

10. As regards emergency preparedness, the Director outlined the present broad staffing strategy:

--The ideal was to constitute teams comprising three elements: experienced UNHCR staff; others with previous field experience (former staff from UNHCR or other UN agencies) and new recruits; these components would broadly each account for a third of the size of the team;

--In the case of redeployed UNHCR staff, it was not proposed systematically to replace them on a one-to-one basis but rather to restrict such replacements to the minimum needed to avoid major disruptions of the organization's work;

--As to new recruits, UNHCR was making extensive use of UNVs; in addition to those UNVs already working with UNHCR, it was proposed to send about 25 more to the Gulf region. Furthermore, UNHCR was actively considering using staff loaned from governments and NGOs;

--The number of expatriate staff presently working in Turkey, Iraq and Iran, or about to move there, was in the range of 60-75. Working on the principle that each expatriate would normally be matched by a locally engaged staff member, it was presently foreseen that the number of staff deployed for the current emergency would be 120-150 persons;

--The Director stressed that as the situation evolved, so would the numbers of staff need to be adjusted. He also pointed out that it would be necessary to provide Headquarters support for this increased field staff, but the distribution of posts between Headquarters and the field would not be of the order 25 per cent Headquarters/75 per cent field, rather it would be in the vicinity of 10-12 per cent Headquarters and the remainder in the field.

--The Director said that the present situation was more like a damage-control type situation. The long-term impact of the present crisis on the staffing of UNHCR was yet to be assessed; this would have a lot to do with the length of the current emergency situations. The Director also pointed out that UNHCR will have to find a way to address emergencies in a more structured way than at present where UNHCR was jumping from one emergency to another.

11. The Controller addressed the two other issues relating to human resources raised by delegations: secretarial support and the Headquarters/Field staff ratios. In relation to secretarial support, the Controller said that although the issue was under active consideration, the proposed review as such had not been completed, as staff assigned to the job had to be taken off it, to attend to matters of greater priority. Over the last two years (from 1 January 1989 to 1 January 1991), however, the ratio of substantive officers to secretarial staff had improved from 2.08 to 2.29, which reflected a decrease of some 23 secretarial posts. The question of secretarial support will be looked into also in the course of the staffing review in May 1991. The Controller said that the trend towards lower secretarial support will be maintained and reinforced. With regard to Headquarters/Field Staff ratios, the Controller pointed to the Annex in Conference Room Paper EC/SC.2/1991/CRP.5 on Decentralization and Regionalization. The Controller underlined the fact that the table showed how the ratio of field staff to Headquarters staff had improved dramatically over the last six years in the case of UNHCR; if one was to look at the situation today, the ratio would look even better because of the necessity to deploy extra staff in the field to cope with current emergencies. The Controller went on to say that while staffing in Headquarters would be affected by increased recruitment in the field, it would not obviously be in the same proportions. The Controller undertook to keep the Sub-Committee briefed on progress in this area.

Funding Mechanisms

12. The Head of Fund Raising Services introduced the agenda item on Funding Mechanisms (EC/SC.2/1991/CRP.6). He stated that there had only been an initial analysis within UNHCR Secretariat of the Report by the Funding Center; nevertheless, it was felt that the executive summary of the Report should be distributed to the members of the Sub-Committee to initiate a preliminary exchange of views on the subject. The Head of Fund Raising Services drew attention to a number of points in the Report: the link advocated between Public Information and Fund Raising within UNHCR; recommendations as to rotation of staff; the emphasis on accessing the private sector, which, however, should not be to the detriment of NGOs; the formulation and presentation of appeals; reporting to donors on contributions; the possible use of the name "UN Refugee Fund", etc.

13. While a number of delegations were not in a position to give a considered response to the Report, some delegations were able to make preliminary, yet substantive comments. One delegation thought that the Report was useful and pointed out that although it had not addressed issues such as multi-year funding, etc., this was probably because the consultant had concluded, on the basis of discussions with Permanent Missions, that sufficent consensus did not exist as yet to make firm recommendations. As to the recomendations made, the same delegation felt that some were of such a managerial nature that they should be left to UNHCR to resolve, e.g. rotation of staff. Of the remaining recommendations, two were singled out by the delegation for comments: while there was some sympathy for the recommendation

(No. 15) on the fund-raising calendar, it was felt that the differing fiscal years of member States would make this recommendation difficult to implement; similarly, in relation to recommendation No. 16, the proposed changes to the Emergency Fund might best wait until such time as the recent changes introduced to deal with contingencies could be evaluated. The delegation concluded by pointing out that there were no magic answers for mobilizing funds; moreover, countries might need to look at ways to restructure their humanitarian budgets so as to be more responsive to emergencies. On the relationship of Public Information Section to Fund Raising Services, the same delegation pointed out that the goal of Public Information initiatives was not so much the promotion of UNHCR per se, but rather the promotion of the cause of refugees through UNHCR.

14. Other delegations expressed some reservations about the envisaged role for the High Commissioner in fund raising and publicizing the needs of refugees. In this regard, one delegation reiterated the comments of the Report on the potential of a well-organized good-will ambassador programme, and the need to lobby actively legislatures. In relation to accessing the private sector, one delegation stressed that this should not be at the expense of NGOs. Moreover, in relation to this sector, one delegation highlighted the need to distinguish between foundations of a philanthropic nature and commercial/industrial corporations; one would need to exercise caution in relation to the latter. Another delegation, however, pointed to the positive response by a number of commercial organizations to recent initiatives of the High Commissioner to involve private enterprise in assisting UNHCR respond to the increasing needs of refugees; he felt that such a response augured well for comparable initiatives in other countries. On the question of strategy for fund raising, some delegations made a number of observations, including one regarding possible "donor profiles" which would analyse the official development assistance policy of a country and its priorities and interests. These profiles could be of use in tapping developmental sources of funding. As to the more specific strategies outlined in the Report for increasing contributions, while several delegations queried the assertiveness of the funding proposals and the nature of the calculations, another delegation felt that a proposed increase of 10 per cent in the contributions from existing donors contained an element of wishful thinking. This delegation felt that the uneven base of existing contributions had to be recognized, that is, the varying per capita contributions of different countries; what was called for was a more equitable burden-sharing between traditional donors. Another delegation pointed out that greater emphasis should be placed on the responsibilities of membership of UNHCR. All countries, be they the so called "donor" or "recipient" countries, share a common purpose and have available in UNHCR the means to address the needs of the world's refugees. In a similar way, all governments can play a role in broadening the donor base of UNHCR by facilitating approaches to non-contributing member States. The same delegation stressed the importance of the recommendation in the Report on streamlining reporting arrangements and recommended that a dialogue be commenced between UNHCR and the relevant government authorities on this; such streamlining could represent considerable staff savings for UNHCR. Several delegations, while expressing appreciation for the consultant's report as a useful analysis and evaluation of the fund raising functions within UNHCR, questioned whether the report had addressed all the issues of concern to the

Temporary Working Group in relation to funding mechanisms. They felt that issues such as the validity of the current programme, categorizations of general programmes and special programmes, single-year and multi-year budgeting, etc. would need to be considered further by the Sub-Committee.

15. In response to these interventions, the Head of Fund Raising Services noted, inter-alia, that it was UNHCR's intention not to work against NGOs in any approaches to the private sector. He also said that in such approaches, the specific circumstances in each country would have to be taken into account; such circumstances could allow for approaches in some countries to both foundations as well as corporations. Any campaigns in relation to the private sector would have to be tailor-made, taking into account the situation prevailing in the country under consideration. The Head of Fund Raising Services concluded by saying that the Secretariat would soon be undertaking a detailed analysis of the recommendations to determine what could be implemented and the modalities of such implementation.

16. In relation to the evaluation of the Public Information Section, the Head of Fund Raising informed the Sub-Committee that the study had commenced in April and that it was expected that the report of the consultant would be presented in about three months' time.

Income and Expenditure 1990

17. The Controller introduced Agenda Item IV (a) on Income and Expenditure for 1990. He reminded the Sub-Committee that it had received by letter on 7 March 1991, the final status of funding/obligations as at 31 December 1990 for General Programmes. As part of the documentation for this meeting of the Sub-Committee, Conference Room Paper (EC/SC.2/1991/CRP.9) contained a Consolidated Income and Expenditure Statement for 1990, covering both General Programmes and Special Programmes, as well as all sources of funds. While this statement would be formally issued at the time of the Executive Committee with the Report of the Board of Auditors and the complete set of certified accounts, it did represent the final statement for the 1990 accounts. Commenting on the Statement, the Controller noted that the income for 1990 of $ 583.0 million (excluding secondary income) represented the highest income received by UNHCR to date, it being 15 per cent higher than that received in 1989. He also thanked those donors who had contributed to the Working Capital and Guarantee Fund. As the Statement indicated, the Fund, as at 31 December 1990, stood fully funded at the newly approved level of $ 50 million. In regard to expenditure in 1990, this amounted to $ 544 million, 4.5 per cent lower than in 1989. The Controller also highlighted the high level of liquidation for obligations incurred. For General Programmes this stood at 84.5 per cent as at 31 December 1990 and for Special Programmes at an average of 60.5 per cent, giving an overall liquidation level for all programmes of 75 per cent.

Programme Requirements 1991

18. As regards 1991 programme requirements, these had been set out for the Sub-Committee in EC/SC.2/1991/CRP.10. The Controller said that concerns expressed at the last meeting of the Sub-Committee about possible increases in 1991 General Programmes requirements were likely to be confirmed by the Programme Review currently in progress. These increases are explained by substantial new needs in Africa (Ethiopia, Kenya, Djibouti, Malawi, West Africa), some increase in requirements in Yugoslavia, and increases in Programme Support and Administrative costs, partly explained by exchange rate variations and increases in General Service staff salaries. Balancing these increases in requirements were some possible savings in certain programmes whose implementation had been delayed; also recourse would be made to the Programme Reserve. The projected General Programmes needs for 1991 were now estimated to be some $ 385 million (as compared to the originally projected $ 355.6 million), including a balance of the Programme Reserve ($ 4 million) and the Emergency Fund ($ 20 million). An amount of $ 262.1 million had already been received in contributions, leaving another $ 105.1 million to be funded (of which $ 20 million were expected to be met through secondary income). As programme delivery normally does not exceed 98 per cent, one could envisage an overall budgetary saving estimated at some $ 7.0 million.

19. With respect to other programme needs, the Controller noted that except those programmes for which funding appeals were issued by the Secretary-General, there were no significant changes in relation to previous overall projections. In respect to Special Programmes and Special Trust Funds, in particular those covering repatriation/returnee programmes, the Comprehensive Plan of Action on Indo-Chinese Refugees (CPA) and Extra-Budgetary Food, it was anticipated that there would be a shortfall of $ 27.8 million for some of these programmes. In terms of needs under all programmes other than General Programmes (i.e. including Special Programmes, Special Trust Funds, Refugee Aid and Development Projects and appeals issued by the Secretary-General), the total currently known remaining needs amount to $ 187.1 million. The Controller pointed out that these funding requirements did not take into account the overall requirements to meet needs relating to the Gulf Crisis. The $ 238.0 million indicated in the Conference Room Paper (EC/SC.2/1991/CRP.10), for the Plan of Action relating to the Gulf, reflected the currently known UNHCR requirements only for a three month period. Moreover, the Conference Room Paper had not made provisions for the likely needs for voluntary repatriation to Western Sahara and Southern Africa. The Controller also drew the attention of the Sub-Committee to the urgent food needs of refugees. To date, of the estimated total needs amounting to 2.5 million metric tons, the World Food Programme (WFP) reports that pledges only accounted for about 50 per cent of estimated needs. What added urgency to this situation was the time-lag between pledges and deliveries. The Controller foreshadowed the possibility that there might be need to reprogramme resources so as to make local purchases, should the food pipeline become threatened. For lack of food locally, however, this course of action might not even be an option in some of the countries concerned.

Funding Situation

20. In terms of the funding situation for the 1991 programmes, the Head of Fund Raising Services pointed to the rather reassuring situation as regards contributions received to date for the General Programmes. Although $ 105.1 million was still required to cover projected needs under General Programmes in 1991, the prevailing relatively favourable funding situation in relation to General Programmes could be attributed to a number of factors, including the clear appreciation of the donor community of the priority attached by UNHCR to the funding of the General Programmes.

21. The Head of Fund Raising Services went on to speak of the Gulf crisis. While the response of the international community to the crisis had been impressive, it was far from sufficient given the enormity and complexity of needs. On a more general note, the Head of Fund Raising Services asked governments to consider increasing their humanitarian budgets lest these be overcome by events, and prove unequal to emerging refugee situations. He also called on member States to assist UNHCR in persuading other governments currently not contributing to UNHCR to do so.

22. In response to the presentations on the 1991 programme/funding projections, a number of delegations made interventions. One delegation expressed sympathy with the foreshadowed increases to the General Programmes; after extensive review by this Government of various new refugee situations, especially those in Africa, it was felt that an increase in funding was required to address these critical situations. The amount being indicated by UNHCR for the revised project target for 1991, was nevertheless comparable to that raised in 1990. The same delegation went on to point out the need for up-to-date and clear information on current needs, especially for those relating to the Gulf. In view of the various appeals for the Gulf situation, it was imperative that governments have a clear picture of unanswered needs, as well as contributions made to meet such needs. Such information was key to generating political support if the necessary funds were to be forthcoming.

23. Other delegations raised questions about the costs associated with a likely voluntary repatriation movement to the Western Sahara and about progress in negotiating with the United Nations the reimbursement of some $ 3.3 million to cover UNHCR's shortfall in relation to the United Nations Transitional Assistance Group (UNTAG) operation (Namibia). In responding to the first of these questions, the Head of Fund Raising Services stated that the Security Council had not taken a formal decision on whether the UNHCR component in the UN Plan for the peaceful settlement of the Western Sahara question would be met through voluntary contributions; there was, however, a belief that this would not be so (subsequently, General Assembly Resolution 690 of 17 May 1991 decided that the UNHCR component of the MINURSO operation would be met through voluntary contributions). As to the reimbursement of the $ 3.3 million shortfall for the UNTAG operation, the Controller said that progress in this regard had not been very promising; however, negotiations were still proceeding.

Evaluation

24. The Chief of the Central Evaluation Unit introduced Conference Room Paper EC/SC.2/1991/CRP.8 which gave an update on UNHCR's evaluation activities. A number of delegations responding to the presentation stressed the importance of evaluation, even at a time when there seemed to be more pressing priorities. In response to a question, the Chief of the Central Evaluation Unit said that summaries of evaluations would be made available in October to Sub-Committee members.

25. Several delegations raised the issue of consolidated refugee statistics; Executive Committee (EXCOM) documentation does not have in a consolidated form any overview of the world's refugee population. In response, the Controller said that the issue had been raised by the EXCOM Temporary Working Group and was very much on UNHCR's agenda. An improved format for collecting statistics had been drawn up and distributed to field offices. Based on the replies from the field, statistics on the world's refugee population had been compiled as at 31 December 1990. However, a study of the returns from the field revealed a number of inconsistencies in the approach to various categories e.g. asylum-seekers. The Controller welcomed the proposal to discuss with interested delegations the issues relating to the collation of a consolidated, accurate overview of the world's refugee population.

Regular Budget

26. The Controller introduced the Conference Room Paper (EC/SC.2/1991/CRP.4) on the Regular Budget. Focusing on the most recent UNHCR submission for the UN Regular Budget for the Biennium 1992/93, the Controller said that while the Programme Planning and Budgetary Board (PPBB) of the UN Secretariat had accepted that the 17 posts of the High Commissioner's Representatives and Chiefs of Mission of the Least Developed Countries were a legitimate charge on the Regular Budget, it seemed that only two of these posts would be included in the Secretary-General's submission for the 1992-93 Biennium Budget; it was proposed that the remainder be introduced on a phased basis. In commenting on the Conference Room Paper, and in response to the most recent communication of the UN Secretariat as regards UNHCR's budget submission, the Committee decided to pursue in a concerted fashion the issue of the UN Regular Budget contribution to the administrative costs of UNHCR. In such an approach, it would be emphasized that UNHCR was not asking for any change to the principle of zero growth in the UN Regular Budget, but rather that UNHCR receive from the Regular Budget a contribution towards administrative costs that reflects the high priority that refugee issues deserve. Given the urgency of the matter, in view of the deliberations presently taking place on the Regular Budget, it was proposed to request the High Commissioner, after consultation with the Chairman of the Executive Committee, to approach the Secretary-General on the subject (see Annex). The Controller pointed out that member States could still lend their support to UNHCR's Regular Budget proposals in fora such as the Committee for Programme Coordination (CPC) and the Fifth Committee.

Other Items

27. In relation to other agenda items on Decentralization/Regionalization (see EC/SC.2/1991/CRP.5) and Technical Support Services (see EC/SC.2/1991/CRP.7), the Chairman pointed out that these papers were essentially of an information-sharing nature; any questions arising from these papers could be addressed in another meeting of the Sub-Committee.

28. In final interventions, one delegation asked as to progress on the proposed UNHCR/WFP "Donor Paper" which would set out the main lines of future UNHCR/WFP cooperation in relation to refugee feeding operations. The Controller replied that UNHCR had prepared a draft of this document, but was awaiting a response from WFP. Given other pressures on WFP, this could not be expected before early June 1991.

29. The Controller also raised the issue of travel expenditure in response to a question raised at the previous meeting of the Sub-Committee. He said the expenditure for travel (both Headquarters, field and for all programmes under all sources of funds) was as follows:

1988: $ 6.667 million;
1989: $ 7.25 million;
1990: $ 5.682 million.

The 1990 expenditure thus represented a 23.5 per cent reduction in comparison to the budget of $ 7.4 million established for 1990.

30. In concluding the meeting, the Chairman raised the question of the date of the next meeting; it was tentatively decided that it should be held in conjunction with the proposed "mini-Executive Committee" in June 1991.

Text of cable dated 31 May 1991 sent by the High Commissioner to the Secretary-General

Dear Secretary-General,

The question of the Regular Budget contribution to UNHCR administrative costs has preoccupied the Executive Committee for some time. Most recently, the Executive Committee at its fortieth session in October 1989 quote requested the High Commissioner to re-open negotiations with the Secretary-General on an increase of the Regular Budget participation in the administrative costs of UNHCR in the preparation of the Programme Budget for the biennium 1992-1993 unquote. A similar recommendation was made by a Temporary Working Group of the Executive Committee, whose Report was accepted by an Extraordinary Session of the Executive Committee (28-30 May 1990).

At its meeting on 3 May 1991, the Sub-Committee on Administrative and Financial Matters reviewed progress on this question. It had available to it the preliminary responses of the Programme Planning and Budgetary Board. The Sub-Committee expressed disappointment at the way UNHCR's requests for increased funding from the Regular Budget towards its administrative costs continue to be handled. The situation today where the staff costs of only 244 posts are met from the Regular Budget is no better than in 1959 when the same number of posts were covered by the Regular Budget. In the meantime, the needs of the world's refugees have continued to grow, as has UNHCR in its efforts to respond to those needs. Unfortunately, the contribution of the Regular Budget has failed to reflect this changing situation.

In asking for a more realistic share of the administrative costs of UNHCR borne by the UN Regular Budget, UNHCR is aware of the General Assembly resolution 37/238 on this subject and the discretion left to you on the timing of the transfer of agreed UNHCR posts to the Regular Budget. Within the limits of zero real growth in the Budget, the member states of UNHCR are simply asking that UNHCR receive from the Regular Budget a contribution towards administrative costs that reflects the high priority refugee issues deserve.

It is at the urgent request of His Excellency Ambassador Emeka Ayo Azikiwe, Chairman of the Executive Committee, Ambassador of Nigeria, and of His Excellency Ambassador Franz Ceska, Chairman of the Sub-Committee on Administrative and Financial Matters, Ambassador of Austria, that I have addressed this letter to you on the question of the UN Regular Budget contribution to UNHCR administrative costs.

I would be grateful if you would bring this letter to the attention of the Chairman of the ACABQ, the CPC and the Fifth Committee.

With my sincerest best wishes,

Sadako Ogata